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BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

CONTENTS

<u>FAR EAST</u>	<u>PAGE</u>
Laos	1
Cambodia	4
Malaysia	9
 <u>MIDDLE EAST</u>	
Iran-Iraq	13
Pakistan	18
Greece	22
Turkey	26
 <u>EUROPE</u>	
France	30
Czechoslovakia	34
 <u>AFRICA</u>	
Nigeria	37
 <u>LATIN AMERICA</u>	
Panama	41
Guatemala	45
Haiti	47
Venezuela	49
Bolivia	51

(continued)

25X1

Approved For Release 2005/01/10 : CIA-RDP79T00827A001800080003-8

Approved For Release 2005/01/10 : CIA-RDP79T00827A001800080003-8

Approved For Release 2005/01/10 : CIA-RDP79T00827A001800080003-8

LAOS

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LAOS

I. For the first time in several years, there are clear signs that the North Vietnamese are maneuvering toward a Laos settlement.

A. North Vietnamese Ambassador Hien, who in recent years has spent almost all his time in Hanoi, returned to Vientiane earlier this month for talks with King Savang and Prime Minister Souvanna.

25X1

[REDACTED]

the meeting itself represents a sharp departure from Hanoi's policy of avoiding official contact with the Souvanna government.

1. Ambassador Hien made a point of telling the press that North Vietnam recognizes Souvanna as the head of the tripartite government. This is a significant shift

LAOS-1

from Hanoi's previous position that Souvanna's government was "illegal."

- C. We believe that Hanoi has two principal objectives in its current diplomatic initiative.
1. First, it hopes to obtain a halt to U.S. bombing of the Ho Chi Minh trail in Laos, in return for concessions which would lead to a settlement among the Lao factions.
 2. And second, it may calculate that such a settlement--or even discussions between the Lao Communists and Souvanna, outside the Paris talks--would undercut the U.S. position in Paris that the problem of North Vietnamese troops in Laos must figure prominently in any settlement on Vietnam.
- D. For his part, Souvanna's euphoric mood about the chances of making progress toward a settlement, has dissipated since Hien returned to Hanoi last week. Souvanna is no fool and he is likely to view North Vietnamese promises with a skeptical eye.
1. At the same time, in any hard bargaining with the Communists, Souvanna would

LAOS-2

be more concerned with Vientiane's immediate objectives than with the broader anti-Communist interests of Southeast Asia in general, and Hanoi obviously is trying to plan on any potential divisions it may find here.

II. How far the current diplomatic game will go depends to a great extent on developments in the military situation.

A. The recent Communist reoccupation of their positions near Xieng Khouangville may throw some cold water on Souvanna's optimism.

1. The Communists will argue, however, that in moving against Vang Pao's tribal guerrilla forces south of the Plaine des Jarres, they are trying to recapture areas they controlled under the 1962 settlement.

B. Aside from the efforts to blunt Vang Pao's counteroffensive near the Plaine, Communist forces have been relatively quiet throughout the country.

1. The threat to government guerrilla positions north of the Plaine, for example,

LAOS-3

has eased considerably in recent weeks.

C. We should get a better line on Communist intentions as the rainy season begins.

1. In past years, some North Vietnam forces have withdrawn from Laos after the monsoon began, and we have some evidence that one North Vietnamese regiment may have already done so.
2. This year, however, the Communists may hope to protect their dry season gains in the northeast. In order to do so, they would have to keep most of the North Vietnamese troops currently in Laos in place throughout the rainy season.

LAOS-4

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CAMBODIA

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6 June 1969

BACK-UP MATERIAL FOR
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CAMBODIA

I. Chief of State Sihanouk *is still barking and*
filling over ~~has not decided what to~~
~~do about~~ improving relations with the U.S.

A. It has been a month since he rejected his
over
long sought-after border recognition from
President Nixon.

1. Although at first quite gratified, he subsequently claimed that U.S press articles describing the declaration indicated that Washington had "reservations," which nullified its usefulness to Cambodia.
2. It is still difficult to judge how serious Sihanouk is over this rejection. Creating last minute hurdles to a course he has set is characteristic of his negotiating style.
 - a. He may hope to exact some clarification of the U.S. position he can use to his advantage with his neighbors and domestic critics.

CAM-1

- b. His obduracy at least enables Sihanouk to demonstrate to the Vietnamese Communists and Cambodian leftists that he is still his own man.
- B. A major cause of Sihanouk's currently frenetic diplomatic activity is the deteriorating security of his borders.
 - 1. During a late April press conference he made his most bitter and far-reaching attack on the North Vietnamese.
 - a. He described the encroachments of the Viet Cong and North Vietnamese in northeast Cambodia as typical tactics of the Asian Communists, and even mentioned for the first time the possibility of severing relations with Hanoi.
 - b. He further irritated the North Vietnamese by calling for a widening of the Paris peace talks to include Laos and Cambodia, an idea Hanoi has consistently rejected.
 - 2. Sihanouk's relations with the Viet Cong are at their lowest level.

CAM-2

- a. There have been more and more skirmishes between Cambodian and Viet Cong elements, with casualties on both sides.

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II. We continue to get reports that the Viet Cong have received large quantities of arms through Cambodia.

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A. [REDACTED] several thousand tons of such arms entered through Sihanoukville this year.

1. While the amounts may be exaggerated, it is clear that Cambodian officials and trucking companies have been heavily engaged in the weapons traffic.

CAM-3

Sihanouk's headache
III. To add to ~~Cambodia's~~ troubles, the country is faced with a full blown insurgency.

A. Leftist insurgents have made considerable inroads in the countryside during the past dry season.

1. Guerrilla incidents have stepped-up in many provinces. Assassinations and village propagandizing are on the rise, and there are more attacks on outposts and lines of communications.

25X1

4. So far, the Cambodians have kept the larger insurgent bands on the run. Guerrilla activity will continue, however, as Phnom Penh has not reduced the economic discontent which is the fundamental cause of the insurgency.

CAM-4

MALAYSIA

BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

6 June 1969

MALAYSIA

- I. In Malaysia, the security situation is returning to normal after post-election communal rioting in mid-May. Tensions remain high in the Malay and Chinese communities, however, and Malay officials plan a long period of emergency government.
 - A. Curfews have been largely suspended during daylight hours but remain in force at night in areas where there was trouble.
 - B. The disturbances developed when largely Chinese opposition parties scored unexpected election successes on May 10 at the expense of the tri-communal but Malay-dominated incumbent Alliance Party.
 1. Most Chinese--who compose about 37 percent of the population--are convinced that the initial rioting was either organized in advance by local Malay officials or could have been averted by them.

MALAY-1

C. In the Malay community--50 percent of the population--the more chauvinistic elements are in the ascendency, and there is growing pressure for political solidarity along racial lines.

II. The Government assumed emergency powers on May 17 tantamount to martial law and suspended parliamentary government.

A. The ruling body now is an 8-man National Operations Council, with authority over similar councils on the state level. An emergency cabinet has been appointed, with some Chinese representation, but it is little more than an advisory group.

B. The principal figure in the council is Deputy Prime Minister Abdul Razak. Razak has the reputation of being tough-minded, capable, and unsympathetic towards the Chinese.

Tan
C. Prime Minister Abdul Rahman, who has led the Alliance for 17 years, retains his post but appears to have been temporarily, perhaps permanently, shelved. The 66-year-old *Tan* ~~Rahman~~ is well liked by most Chinese, but appears to have lost the support of many Malays, who regard him as being too conciliatory toward the Chinese.

III. It seems evident that Razak and his Operations Council have no intention of relaxing their emergency power in the near future.

A. They are apparently convinced that a return to Western-style democratic and parliamentary procedures would dangerously threaten the paramount position of the Malays, and would lead either to a chaotic situation or to eventual Chinese control.

B. These leaders reportedly intend to extend the present emergency period for several months, perhaps a year. In the meantime, they will try to devise a new permanent government structure which, although

nominally democratic, will be more authoritarian than before and assure Malay control.

IV. The government appears to recognize, however, that some concessions will have to be made to the Chinese to obtain their acquiescence in continued Malay political primacy.

A. Meanwhile, renewed racial violence is still a threat, and growing numbers of Chinese, especially among the youth, may vent their frustration by joining the Communist movement.

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IRAN-IRAO

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6 June 1969

BACK-UP MATERIAL FOR
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IRAN-IRAQ

- I. Relations between Iran and Iraq range from cool to openly hostile, with intermittent efforts by both sides to *appear civilized.* improve the atmosphere.
- A. The poor relations are rooted in traditional Arab-Persian hostility, and in the Shah's belief that Iraq is tied in with what he fears are radical Arab designs on the Persian Gulf and the oil-rich Iranian province of Khuzistan.
- B. More immediate problems involve the dissident Kurds in northern Iraq, and the disputed boundary in the Shatt al-Arab River.
- II. Iranian assistance to the dissident Iraqi Kurds has been a bone of contention for over three years.

25X1

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IRAN-1

1. The question of assistance to the Kurds has been raised again by Baghdad over the past two months. In effect, the Iraqis ask how they can be expected to be forthcoming over the Shatt al-Arab while Iran assists their enemies in the north.

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III. Events over the past two months have revived the long-standing dispute over the Shatt al-Arab river, which divides the two countries in the south.

- A. Iran has long chafed over the terms of the British-sponsored 1937 treaty which gave most of the river to Iraq. The latest attempt to renegotiate the boundary, in February, ended in total failure.
- B. In March, the Iraqis harassed Iranian fishermen on the river at least twice, and notified the Iranians that ships using the river to reach Iranian ports would have to fly Iraqi flags and be subject to search.

IRAN-2

C. This led, in April, to a massive buildup of Iranian naval, air, and ground forces along the shore. The Iranians also sent several "test" ships up the river flying the Iranian flag--and with naval and air escorts.

1. The immediate crisis abated when the Iraqis decided not to interfere with the ships--probably in large measure because the ships were both Iranian owned and registered.
2. Neither government has apparently yet decided how to handle the question of "third country" ships coming to Iranian ports.
 - a. Last month however, a German registered but Iranian owned ship was required by Tehran to fly the Iranian flag--an obvious effort to further force the issue.

D. Iran has publicly renounced the 1937 treaty, and called for renegotiation of the boundary. Both sides have presented their case in writing to the President of the UN Security Council,

IRAN-3

and Iran has attempted to
raise the issue in the Human Rights Commission.

IV. The massive Iranian reaction to what were essentially minor Iraqi harassments is probably both an attempt to force a renegotiation of the treaty, and an effort to demonstrate Iran's determination to play the leading role in the Persian Gulf.

- A. Iran may have believed that the Iraqis, deeply involved in the Arab-Israeli confrontation and with the Kurds, could be forced to reopen talks on the Shatt al-Arab situation. Thus far, however, the Iraqis have refused to negotiate under duress.
- B. Of more importance to the Shah in the long-run is his determination to keep the radical Arab states--he considers Iraq one of them--out of Persian Gulf affairs.

- 1. By demonstrating Iran's superior military force in the area, the Shah may have been issuing a warning in advance that Iran would brook no Iraqi interference in the Gulf after the British leave in 1971.



3. The Iraqis have been attempting to rally public support for their cause among the Arab states. Most Arab governments have been quite restrained, however,



IRAN-5

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PAKISTAN

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PAKISTAN

- I. The martial law administration of President Yahya Khan has settled firmly into power since taking over on March 25.
 - A. Many Pakistanis welcomed the move--there was little violence and few arrests.
 - B. Students, who led many demonstrations against the Ayub government, are back in school.
 - C. The economy is recovering, with workers back on their jobs and strikes prohibited. Overall damage to the economy during the disturbances is now viewed as slight.
 - D. Indications point to a continuation of Ayub's non-aligned foreign policy, although there are some tentative signs that relations with China may cool somewhat.

25X1

PAK-1

- F. Ayub, who directed or participated in the decision to impose martial law, is out of politics.
- II. The new government is seeking to remedy the causes of the disturbances, which began last October and plagued the Ayub government through most of the winter.
- A. Workers have been assured that previous pay hikes--some secured through violence--must be implemented by employers, at least for present. The proposed new labor policy appears generally designed to appeal to the workers.
- B. Food is being shipped to East Pakistan in an effort to cope with shortages there. A number of top civil service positions are being given to East Pakistanis.
- C. An anticorruption campaign is getting underway against former officials.
- D. The outline of a prospective education plan provides a greater autonomy for universities, more emphasis on scientific training, and increased student participation in university affairs.

- III. There are some important differences from the martial law imposed when Ayub took over in 1958.
- A. Troops are unobtrusive; civilians continue to run day-to-day government.
 - B. Political parties are not barred, but political activity is restricted. Rumors indicate that various minor parties might merge into more effective nation-wide parties.
 - C. There is no overt censorship, but plenty of stern press "guidelines."
 - D. Yahya, unlike Ayub, appears to have no political ambitions.
- IV. The future remains clouded, however, and the eventual solution uncertain.
- A. Leaders estimate martial law will have to be continued for at least a year or two.
 - B. There could be more violence in East Pakistan if the government appears to be dragging its feet in the return to democracy.

25X1
25X1

PAK-3

- C. The armed forces are loyal to Yahya, but there would be logistics problems in meeting an insurgency in East Pakistan.
- D. Regardless of present efforts, Pakistan's major problem of the last twenty years will remain--how to reconcile 70 million Bengalis in the East to continued domination by 55 million West Pakistanis--or, how to get West Pakistanis to accept a subordinate political role.
1. Present signs point to good intentions on the part of the government to foster economic progress in the East. Recent authorization for Pakistan's Atomic Energy Commission to negotiate on a proposed nuclear power plant in East Pakistan could indicate plans for increased allocation of resources there, but there are few other specific plans. There are even fewer clues as to government concessions to Bengali political demands.
 2. Failure to answer Bengali grievances could lead to eventual separation of the two wings of their divided country.

PAK-4

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GREECE

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GREECE

I. The Greek Government which took over the country in a coup April 21, 1967 is more firmly entrenched than ever. There is some opposition from a few intellectuals, former politicians and retired military officers, but it is ineffective and political life remains strictly curtailed. The majority of Greeks have simply accepted the regime.

A. There has been some evidence of military disaffection in recent months, but the government seems capable of controlling such potential opposition.

1. In late May at least 10 retired high-ranking officers with pro-royalist sentiments were arrested. The government announced that these officers were dangerous to public security and would be deported to various Greek islands.

II. The implementation of the new constitution, on the books since November 1968, has been painfully slow.

GR-1

This slowness stems from technical ineptness and the reluctance of the regime to allow a restoration of democratic processes.

A. Twelve vital articles safeguarding political and individual rights were suspended after the promulgation of the constitution last November. Recently, in an attempt to gain respectability at home and abroad, three of these articles were put into effect, but implementing legislation is still required.

1. But there is neither a timetable for implementation nor a date for elections.

B. The constitution allows for the return of King Constantine after elections, or upon invitation of the regime. There are no indications, however, that the junta is about to invite the King back, and this stalemate is likely to continue until the regime is sure that the King will not interfere in any way with the government.

25X1

GR-2

- III. The Athens regime is still trying to win the approval of its NATO allies. The Scandinavians and Italians are particularly cool.
- A. Relations between Greece and Sweden deteriorated rapidly last year after Andreas Papandreou based his antiregime Pan Hellenic Liberation Movement in Stockholm.
 - B. Foreign Minister Nenni of Italy fruitlessly endeavored, this past spring, to have Greece ousted from the Council of Europe and caused considerable embarrassment to the Greeks.
 - C. The government is appreciative of U.S. resumption of some military aid and continues to press for more, but Premier Papadopoulos would probably be unwilling to make any far-reaching concessions for it.
- IV. The Greek economy faltered in 1967, then made a partial comeback in 1968. There are pressures, particularly from European creditors, for the government to pull in its belt and curtail ambitious development plans.
- A. So far the regime has avoided such cutbacks by arranging short-term loans

B. We do not believe that economic problems
in themselves will bring down the regime.

TURKEY

BACK-UP MATERIAL FOR
DCI's 9 JUNE BRIEFING

6 June 1969

TURKEY

- I. The political situation in Turkey is again fairly normal following a brief but sharp constitutional crisis over the amnesty issue.
 - A. The military had threatened direct intervention if parliament passed the proposed constitutional amendment to restore full political rights to those ousted by the military revolution in 1960.
 - B. The amnesty issue was unexpectedly injected into the pre-election political stream by the leader of the major opposition party.
 1. He apparently hoped to embarrass the government, split the governing Justice Party, and possibly drive a new wedge between the government and the military establishment.
 - C. The prime minister, whose party is the acknowledged successor to the Democratic Party which was banned following the 1960 revolution, had successfully resisted pressure within his own party to push the amnesty issue until his hand

TUR-1

was forced by the opposition leader's public declaration of support for amnesty.

1. The drive to push the measure through the two-house parliament stopped just short of passage when the government withdrew the bill and returned it to committee for further study.
- D. The top military leaders, possibly under considerable pressure from junior officers, showed strong displeasure over the proposed constitutional change, which they regarded as striking at the legitimacy of the revolution itself.

25X1

adjournment of parliament has effectively shelved the amnesty issue until after elections in October.

- a. The political crisis all this caused, however, remains a topic of heated and widespread debate, with considerable mud-slinging.
 - b. Former president Bayar says he is determined to continue the struggle to regain political rights for himself and his colleagues. Less than 150 persons would be affected by the proposed amnesty, only half of whom would be likely to return to an active political career.
3. Only the political left and the extremists of both the left and the right can profit from a new period of political unrest should it develop further.

II. Meanwhile, the long delayed US-Turkish bilateral defense agreement

25X1

now seems ready for early signature. The month-old strike involving indirect-hire labor at several US installations in Turkey, which was finally settled on 30 May, and the recent political crisis had been chiefly responsible for the delay.

TUR-3

- A. Presentation of the bilateral agreement to parliament, although not for formal ratification, must now wait until that body reconvenes following the October elections. There might be a special session this summer, but it would not likely get around to the question of the bilaterals.
- B. The protracted negotiations almost certainly will become a major campaign issue and arouse new expressions of anti-Americanism.
- C. There was complete agreement on the text, but U.S. negotiators want the labor situations clarified. They want steps taken to assure that the Turkish Government will prevent harassment of Americans and hampering of operations at U.S. facilities in Turkey during future labor disputes.

TUR-4

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FRANCE

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FRANCE

- I. The chaos De Gaulle long predicted has not materialized in the wake of his resignation on April 28.
 - A. There have been no major public demonstrations nor any significant labor troubles. We do not expect any during the rest of the campaign, which will culminate in runoff balloting on 15 June.
 - B. The government continues to function smoothly and to carry out day-to-day administration.
 - C. No major policy decisions, either in the domestic or international spheres, have been taken and none are likely until after the elections.
- II. Former prime minister Georges Pompidou, a Gaullist, is the probable winner in the run-off ballot against centrist interim president Alain Poher.
 - A. Pompidou, running more strongly than expected, picked up almost 45 percent of the vote on the first ballot, while Poher ran a poor second with about 23 percent.

- B. Socialist candidate Gaston Defferre has shifted his support to Poher. Pompidou is now backed by independent Louis Ducatel, who polled slightly over 1 percent of the vote, and the Republican Alliance Party on the extreme right, which could deliver about 1 percent of the vote.
- C. The key factor working in Pompidou's favor is the decision of the Communist Party to ask its electorate to abstain on the second round.
 - 1. It is still likely that a number of those who voted for the Communist candidate will support Poher, but he needs all of the Communist and Socialist vote, as well as some votes cast for other leftist candidates, to win.
 - 2. The Communist decision to abstain was probably the choice least damaging to the party.
 - 3. The party may regard this step as a way of meeting pressure from Moscow, which likes Pompidou's foreign policy; it may have decided that outright endorsement of Poher would be the "kiss of death"; or it may

have concluded that, regardless of any endorsement, its supporters--many of whom want Poher--would exercise their own judgment.

III. In any event, the Communist Party won a victory of its own in the election.

- A. In the "election within an election," pitting Communist Jacques Duclos against Socialist Defferre, Duclos polled over four times as many votes as Defferre.
- B. This impressive showing by the Communist Party graphically illustrates the Party's charge that the left without the Communists is impotent.
- C. Moreover, Duclos' "victory" will give the Communists leverage in any future bargaining with the non-Communist left on the shape of relations between the two.

IV. Regardless of who wins, French foreign policy will in time become more flexible.

- A. Although Pompidou has stressed the theme of continuity in foreign policy, he has been appealing to the center voter by taking a more pragmatic position on such issues as British entry into the Common Market and relations with the U.S.

- B. Poher, who has consistently favored European integration and seems pro-U.S., would probably move slowly away from many of De Gaulle's policies.
- V. Pressing domestic issues will take precedence over foreign policy in the immediate post-election period.
 - A. The new president will be faced with renewed labor demands for increased wages, and the outcome of the negotiations will be important in determining the health of the franc.
 - B. European money markets have become more stable since the initial speculative onslaught that followed De Gaulle's resignation.
 - C. Nevertheless, no matter who is elected in France, speculative pressure is likely to increase before the end of this year to such a degree that some realignment of European currencies (i.e. revaluation of the mark, devaluation of the franc) is almost certain.

CZECHOSLOVAKIA

BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

6 June 1969

CZECHOSLOVAKIA

- I. In Czechoslovakia, the situation is quiet for the moment, but still basically unstable. Moderate party chief Gustav Husak appears to have been pressured into a tenuous coalition with pro-Soviet conservatives.
 - A. Husak's regime has elevated conservative leader Lubomir Strougal to a newly created post as Husak's deputy.
 1. Strougal's new role, and his control of the large Czech regional party bureau, means that he now has sufficient power to challenge Husak should a factional showdown develop.
 - B. The leadership has assigned orthodox party secretary Indra to a post where he can place hardliners in important spots in the government and other large national organizations, such as the trade unions.

CZ-1

- C. The regime has also demoted, reprimanded or begun investigating a number of prominent liberals who have opposed the conservatives' bid for power.
- II. Friction between Husak, a Slovak, and Strougal, a Czech, probably will intensify animosities between the two nationalities.
 - A. Husak's power base is in Slovakia, where the party is fiercely loyal to him.
 - B. Many Czechs, however, distrust Husak because of his nationalism and his espousal of federalization, through which the Slovak minority hopes to achieve near-equality with the Czechs.
 - 1. In the long run, the nationalities problem could be the cause of yet another crisis.
- III. The Soviets have withheld public support for Husak, who has not had time to prove himself in their eyes.
 - A. The Russians apparently regard Husak as an unpredictable Slovak nationalist whose moderate politics, in the end, will put him

on a collision course with their more
orthodox goals. Consequently, Moscow
probably would not back him in a show-
down with Strougal.

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NIGERIA

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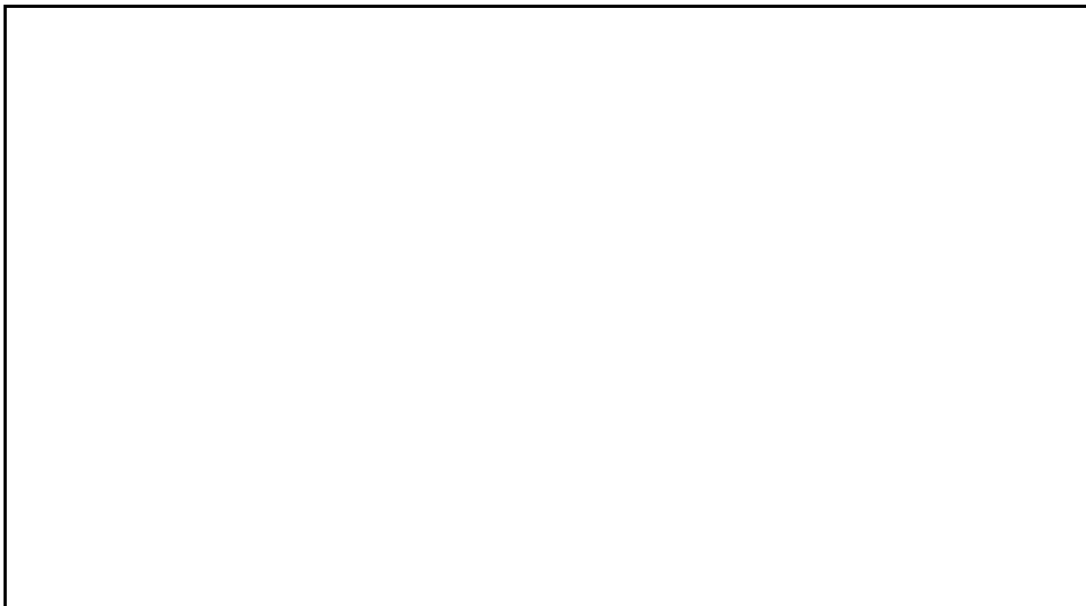
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NIGERIA

I. The Nigerian civil war will be two years old next month and there is still no sign of an early end to the fighting.

A. Last month federal leader General Gowon reshuffled his military command in an effort to get his forces moving again, but there are no indications that the federal army is about to regain the initiative in the near future.

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NIG-1

E. An increase xenophobia is being directed particularly against the foreign relief operations.

II. The Biafrans, who on May 30 celebrated the 2nd anniversary of their secession, appear as determined as ever to continue the fight.

A. The 5-8 million Ibo tribesmen crowded into what remains of Biafra show no sign of backing away from their support for Ojukwu's policy of seeking a separate existence.

B. Malnutrition and related problems persist among the 2-3 million Biafran refugees, but death from starvation has been reduced to manageable proportions, mainly through the efforts of foreign relief organizations. The Biafrans themselves have made a major effort at increasing food production, and a large harvest is expected to begin next month.

- C. Since the loss of the secessionist provisional capital of Umuahia (Oom-Wah-hee-a) in April, the Biafran army command has been decentralized, probably in anticipation of an eventual guerilla war.
- D. Arms supplies continue to be the key to Biafra's ability to hold out against the larger and better equipped federal forces.
- E. The Biafran air lifeline is still intact and federal forces do not seem likely to interdict it in the near future. Biafra now has two airstrips which can receive international flights,

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III. There is still very little prospect for a negotiated settlement of the war, despite the continuing efforts of the UK and others.

NIG-3

- A. The Organization of African Unity, which has made several attempts at mediation, seems little inclined to try again after the Biafrans broke up the April OAU meeting in Liberia by refusing to negotiate on the basis of a united Nigeria.
- B. Although the Biafrans must certainly realize that there is virtually no hope of recapturing their lost territory militarily, and the federal government acknowledges that there will not be an early end to the fighting, neither side seems to be seriously interested in negotiations.

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PANAMA

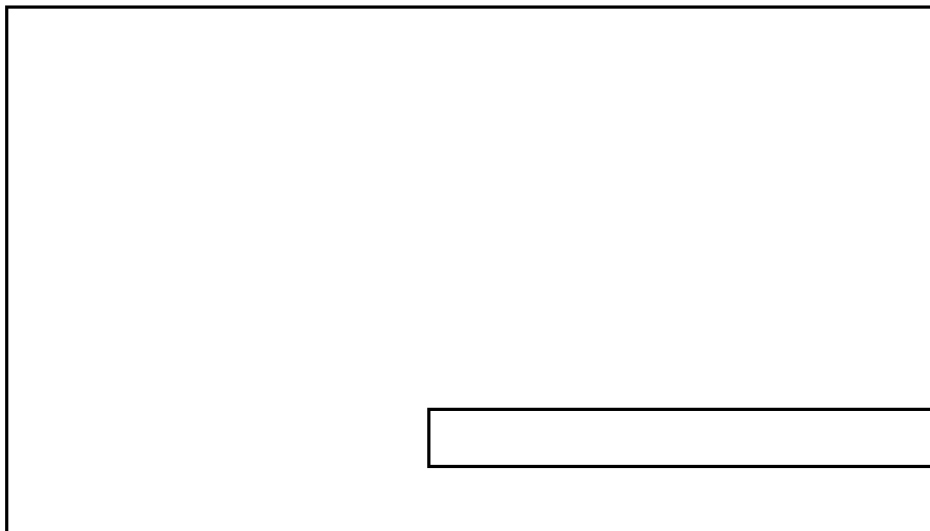
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6 June 1969

BACK-UP MATERIAL FOR
DCI 9 JUNE BRIEFING

PANAMA

- I. Panama is firmly under the control of its first direct military government in the 65-year-old republic's history.
 - A. Since the coup that toppled Arnulfo Arias last October, National Guard leaders have fumbled with the unfamiliar task of running a government and have had little success in eliciting support from a populace which has traditionally disdained the military.
 - B. The government nevertheless has effectively crushed or curtailed almost all opposition.



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PAN-1

2. Panama's volatile student groups may yet be able to cause problems, but so far they have been cowed by the Guard's efficient riot control tactics.
- C. Although the military government continues to play up its "revolutionary" cast, Guard Commander Torrijos--now the sole strongman in the government--is cautiously courting the powerful business community, which is wary of the junta's economic policies.
1. General Torrijos has avoided treading on the toes of the elite families, and several oligarchs recently have accepted assignments with the government.
- D. The figurehead junta leader, President Pinilla, has promised some sort of elections in 1970, but the outlook for anything other than a controlled exercise looks bleak.
1. Torrijos has publicly stated that the military was eager to return the country to civilian rule, and he has indicated privately that he has no desire to continue running the government.

PAN-2

2. He made it clear, however, that a return to constitutionality will be carefully guided by the Guard and future political parties will have to respect the Guard's "integrity."
3. All existing political parties have been declared "extinct" pending a revamping of the electoral code, and the country has been subjected to a number of authoritarian controls.

E. The overwhelming U.S. civilian and military presence in Panama will remain the paramount issue in the country's political life.

1. The current government has declared its interest in bilateral discussions to re-examine the 1967 draft treaties, but has officially announced its intention to leave ratification to an elected legislature.
2. It is possible, however, that the junta may seek to attain through executive agreement concessions of immediate interest to Panama, such as transfer of some canal zone properties or an increase in the annual annuity of \$1,930,000.

PAN-3

3. The two governments have exchanged notes that will permit the U.S. to proceed with a site survey of Route 10--a proposed sea-level crossing approximately ten miles west of the present lock canal. An Office of Interoceanic Canal Studies has been created by the junta to conduct bilateral explorations.

PAN-4

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GUATEMALA

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BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

6 June 1969

GUATEMALA

- I. Campaigning for the 1970 Presidential elections has recently gotten underway; but the prospects for a tranquil transfer of power already appear dim.
 - A. Communist-inspired violence has increased during the past month, and chances of a new round of terrorism have increased significantly.
- II. On June 1st the Cuban-oriented Rebel Armed Forces (FAR) assassinated Mario Lopez Villatoro, a prominent leader of the rightist National Liberation Movement (MLN) and his bodyguard. Lopez' killing may precipitate a resumption of the MLN inspired vigilante activity which was brought under control, with difficulty last year.
- III. President Mendez has recalled former police chief Colonel Sosa--who has been military attaché in Madrid for a year--to be the new Minister of Government. His return may have

GUAT-1

an unsettling effect on the political scene. Another of the officers exiled last year is Colonel Carlos Arana, who recently returned to become the MLN presidential candidate.

A. The reason for Sosa's recall is unclear, but Mendez recently appointed several leftists to important government positions and he may be trying to assuage the right. While chief of police, Sosa was one of those responsible for government-sponsored counterterrorist groups which operated with impunity for over a year in Guatemala City.

GUAT-2

HAITI

BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

6 June 1969

HAITI

I. Political stability in Haiti continues to depend on President Duvalier's ability to retain absolute control of the country. After 12 years in power, there are no signs that he will voluntarily step down.

A. Recent reports that the 62-year-old dictator is ailing have stirred several factions,



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B. If Duvalier suffers a rapid deterioration of his mental or physical powers, severe internal disorder could result as groups contend for power. It could also tempt some exile factions to try to return.

II. Inside the country, the opposition is intimidated and unorganized.

A. Late in 1968 the two largest Communist groups merged to form the Unified Party of Haitian Communists. The new party has

HAITI-1

been officially endorsed by both the Soviet Union and Cuba.

- B. During the past year, Haitian Communists have been instigating small scale terrorist incidents on a more frequent basis. Duvalier appears capable of handling any threat which the Communists may mount.
- C. Duvalier has ordered a crackdown on Communist activity, and confrontations between government troops and communist groups have been reported. Over a hundred Haitians--some with no Communist connections--have been arrested and some key Communist leaders executed.
- D. Prospects for Duvalier's continued control of the government appear good. He still maintains close surveillance and control over all anti-government activity.

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VENEZUELA

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6 June 1969

BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

VENEZUELA

- I. The Caldera government's decision to defer the visit of Governor Rockefeller points up its inherent weakness.
 - A. The four-month-old government has come under increasing criticism from the military and opposition party leaders for its timid handling of a number of political and economic problems.
 - B. The upsurge in violent student demonstrations growing out of the "academic renovation" movement has caused unrest in university and secondary schools since March.
 - C. Competition for control of this anarchic movement has pushed student leaders into ever stronger anti-government action.
 - D. The government's hesitant response to these student activities has been a principal cause of the grumbling among political and military groups.

VEN-1

II. Although long-term economic prospects continue to be favorable, a number of problems including sluggish growth in oil revenues, a budget deficit, and opposition of the Democratic Action Party to basic economic programs, are causing serious difficulties.

A. Labor, quiescent for a number of years, shows increasing signs of restiveness. Petroleum fields are particularly susceptible to labor unrest that could be exploited by left wing extremists.

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VEN-2

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BOLIVIA

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BACK-UP MATERIAL FOR
DCI'S 9 JUNE BRIEFING

6 June 1969

BOLIVIA

I. The Bolivian political situation is very unstable.

A. The death of President Barrientos in April removed an important element of stability from the political scene.

B. Barrientos' constitutional successor, Vice President Luis Siles Salinas, assumed office without incident, but he may be unable to retain power until the national elections scheduled for May 1970.

1. Siles lacks any broad political support and is known as an ivory-tower intellectual rather than a skilled politician.

II. The key to the political situation at this time is armed forces Commander in Chief, General Ovando.

A. So far, Siles has cooperated with Ovando

BOL-1

enough to prevent Ovando from removing him from office.

1. Ovando possesses the necessary power and support to move at any time, but he may be willing to wait for the elections so that he can obtain office democratically. If he seized power he would have to rule by military dictatorship.

III. At present there is no danger of serious guerrilla insurgency in Bolivia.

- A. But students, workers, and other pressure groups are freer than they were under Barrientos to undertake violent demonstrations.
- B. Any large-scale problems with urban or rural violence would provide Ovando with a pretext to move against Siles.

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Next 5 Page(s) In Document Exempt

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